

EXHIBIT A

Kathleen T. Burrows

1 UNITED STATES BANKRUPTCY COURT
2 FOR THE DISTRICT OF MONTANA

3 IN RE:

4 JOHN HENRY SCHNEIDER,
5 Debtor.

Case Number
14-61357

6 JOSEPH V. WOMACK, AS CHAPTER 7
7 TRUSTEE OF THE ESTATE OF JOHN
8 HENRY SCHNEIDER,

9 Plaintiff,

10 vs.

11 KATHLEEN T. BURROWS,
12 Defendant.

13 VIDEOTAPED and VIDEOCONFERENCED DEPOSITION
14 UPON ORAL EXAMINATION OF
15 KATHLEEN T. BURROWS (In California)

16
17 BE IT REMEMBERED, that the videotaped and
18 videoconferenced deposition upon oral examination of
19 KATHLEEN T. BURROWS, appearing at the instance of
20 Plaintiff, was taken at the offices of Fisher, 442 E.
21 Mendenhall, Bozeman, Montana, on Monday, July 20th,
22 2015, beginning at the hour of 10:00 a.m., pursuant
23 to the Bankruptcy Rules of Civil Procedure, before
24 Deborah L. Fabritz, Court Reporter - Notary Public.

25 * * * * *

Kathleen T. Burrows

APPEARANCES

ATTORNEYS APPEARING IN BOZEMAN ON BEHALF
OF THE PLAINTIFF, JOSEPH V. WOMACK, AS
CHAPTER 7 TRUSTEE OF THE ESTATE OF JOHN
HENRY SCHNEIDER:

Mr. Trent M. Gardner, Esq. and

Mr. Jeffrey J. Tierney, Esq.

Goetz, Baldwin & Geddes, PC

35 North Grand

PO Box 6580

Bozeman, MT 59771-6580

and

Mr. Joseph V. Womack, Esq. (in Billings)

Waller & Womack, PC

303 North Broadway, Suite 505

Billings, MT 59101

and

ATTORNEY APPEARING IN GREAT FALLS ON
BEHALF OF THE DEFENDANT, KATHLEEN T.
BURROWS:

Mr. Steven M. Johnson, Esq.

Church, Harris, Johnson & Williams, PC

PO Box 1645

Great Falls, MT 59403-1645

ALSO PRESENT:

Mr. Julian Abalos, Videographer, and

Mr. Alan Burrows

Kathleen T. Burrows

I N D E X

EXAMINATION OF KATHLEEN T. BURROWS	PAGE
Mr. Trent M. Gardner.....	7

E X H I B I T S

DEPOSITION	EXHIBIT NUMBER	MARKED	REFERRED TO
<u>Exhibit 1</u>	Warranty Deed - 12735 Hidden Valley Trail, Molt, MT - Schneider Limited Partnership to John H. Schneider	6	21
<u>Exhibit 2</u>	Warranty Deed - 12735 Hidden Valley Trail, Molt, MT - John H. Schneider to Kathleen T. Burrows	6	23
<u>Exhibit 3</u>	U.S. Bank records	6	29, 32
<u>Exhibit 4</u>	Four checks in the amounts of \$146,000, \$25,000, \$30,000, \$338,736.22	6	30
<u>Exhibit 5</u>	Deposit slip - \$305,045.50	6	41
<u>Exhibit 6</u>	Check written to Michelle Schneider in the amount of \$100,000	6	38

Kathleen T. Burrows

1	(Exhibits continued)		
2		MARKED	REFERRED TO
3	<u>Exhibit 7</u>	Counter Deposit and	
4		Counter Withdrawal in	
5		amount of \$305.045.50	
6		from Ms. Burrows to	
7		Michelle Schneider	6 42
8	<u>Exhibit 8</u>	Warranty Deed - Schneider	
9		Limited Partnership to	
10		Michelle Schneider -	
11		1962 Lane 15, Powell,	
12		Park County, Wyoming	6 53
13	<u>Exhibit 9</u>	Warranty Deed - Michelle	
14		Schneider to Kathleen	
15		Burrows as Trustee of	
16		Children's Trusts	6 58
17	<u>Exhibit 10</u>	Promissory Note -	
18		5/1/12to MedPort from	
19		Schneider Limited	
20		Partnership	6 69
21	<u>Exhibit 11</u>	Amendment to Promissory	
22		Note	6 72
23	<u>Exhibit 12</u>	Judgment Sale	
24		Agreement	6 81
25	////		

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1	(Exhibits continued)		
2		MARKED	REFERRED TO
3	<u>Exhibit 13</u> Promissory Note		
4	dated 3/19/14	6	83
5	<u>Exhibit 14</u> Mortgage	6	84
6	<u>Exhibit 15</u> Open House update		
7	1701 Bella Leguna		
8	Court, Encinitas,		
9	CA	6	91
10	<u>Exhibit 16</u> E-mail string with		
11	Kathleen Burrows		
12	and John Schneider		
13	3/2/15	6	92

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1 (Whereupon, Exhibits 1 through
2 16 were marked for
3 identification.)

4 Whereupon, the following proceedings were had
5 and testimony taken, to-wit:

6 * * * * *

7 THE VIDEOGRAPHER: We're on the record.
8 My name is Julian Abalos, a representative of Video
9 Tech West located in Los Angeles, California. I'm
10 neither party to, nor employed with any party to this
11 deposition, nor am I interested in its outcome.

12 We are videotaping the deposition of
13 Kathleen Burrows. We're meeting at 8:57 a.m. on July
14 20th, 2015, in the matter of Womack, et al. versus
15 Burrows, Case Number 14-61357.

16 Our location is 740 North Gary Avenue,
17 Pomona, California. This video deposition is taken
18 on behalf of the plaintiffs. This is start of Media
19 Number 1.

20 Would all present please introduce
21 themselves beginning with the witness.

22 MS. BURROWS: My name is Kathleen Theresa
23 Burrows.

24 MR. GARDNER: My name is Trent -- Trent
25 Gardner. I'm the attorney for the Trustee, Joseph

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Kathleen T. Burrows

1 Womack.

2 MR. TIERNEY: Jeff Tierney also
3 representing Mr. Womack.

4 MR. JOHNSON: And Steve Johnson
5 representing Ms. Burrows.

6 MR. WOMACK: And Joseph Womack, the
7 Trustee Plaintiff in the matter.

8 THE VIDEOGRAPHER: Thank you. The court
9 reporter may swear in the witness.

10 * * * * *

11 KATHLEEN T. BURROWS,
12 called as a witness herein, having been first duly
13 sworn, was examined and testified as follows:

14 EXAMINATION

15 BY MR. GARDNER:

16 Q. Ms. Burrows, could you state your name and
17 address for the record.

18 A. My name is Kathleen Theresa Burrows. And
19 my address is 15836 Astral Street, in Chino Hills,
20 California, 91709.

21 Q. And, Ms. Burrows, my name is Trent
22 Gardner. I'm the attorney for the Trustee in the
23 bankruptcy of John Henry Schneider.

24 Do you know John Henry Schneider?

25 A. Yes, I do.

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Kathleen T. Burrows

1 transaction?

2 A. Well, Mike suggested that -- actually,
3 Mike suggested that John gift the house to me, and I,
4 you know --

5 Q. Okay. So the agreement you reached was
6 that the house would be deeded to you. You would
7 sell it, and you could keep \$150,000 of the proceeds?

8 A. Right.

9 Q. Okay. And what --

10 A. Yes. And -- and that was --

11 Q. What was to be done with the remainder of
12 the proceeds from the sale?

13 A. I was going to give it to John.

14 Q. Okay. Do you know why John didn't just
15 sell the property himself and give you some of the
16 money?

17 A. Yes, I do. He had asked me to -- to -- to
18 -- well, and Mike Greer as well, because Mike Greer
19 was involved in the conversations regarding the whole
20 gifting -- you know, giving it to John and then -- I
21 think the house -- the house was in Schneider Limited
22 Partnership. And then, you know, Mike transferred it
23 over to John, and then John gifted it to me.

24 The reason that I think that he wanted me
25 to take the house was because -- well, a couple

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Kathleen T. Burrows

1 or arrange for the sale.

2 Q. Okay. So --

3 A. So --

4 Q. -- in any event, you had conversations
5 with Mike Greer and John Schneider about the
6 property, and they wanted to transfer it to you and
7 have you sell it. Correct?

8 A. Correct.

9 Q. With the understanding that you would keep
10 150,000 and the remainder would be Dr. Schneider's
11 money?

12 A. Right.

13 Q. Okay. Now, I have forwarded some
14 documents to the court reporter there, and in front
15 of you should be a document marked as Exhibit 1.

16 And Exhibit 1 -- we'll mark as Deposition
17 Exhibit Number 1, that's a warranty deed. Do you
18 recognize that deed?

19 A. I do.

20 Q. And as you mentioned, this is regarding
21 the Molt property, and this is the deed from
22 Schneider Limited Partnership to John Schneider. And
23 this is dated May 30, 2012.

24 Do you know why the Molt property was
25 deeded first from Schneider Limited Partnership to

21

Kathleen T. Burrows

1 check that was supposed to go to NRIC was actually
2 deposited in this account?

3 A. Yeah. To the best of my recollection,
4 yeah.

5 Q. Do you have any idea why John Schneider
6 deposited that check in this account?

7 A. No. He didn't tell me why he wanted to
8 deposit an extra couple of thousand dollars into the
9 account.

10 Q. Okay. Now, other than opening this
11 account at U.S. Bank and being there with John that
12 first day, did --

13 A. Uh-huh.

14 Q. Well, let me ask you this. Once you
15 opened that account in your name, did you believe
16 those funds were your funds that were in that
17 account?

18 A. No.

19 Q. Whose funds were they?

20 A. Well, they were -- they were John's.

21 Q. Okay. And that day when you opened the
22 account, did you get an ATM card for the account, or
23 did you get one in the --

24 A. Yes. Yes.

25 Q. Either that day or in the mail a little

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1 later?

2 A. Yes.

3 Q. Did you keep the ATM card?

4 A. No. I gave it to John.

5 Q. Once you had opened the account, over the
6 next several years, who had control of the funds in
7 that account?

8 A. Well, you know, either John or Michelle
9 because they had the ATM card. I -- I -- I mean,
10 this is John's money when I opened it up, and I
11 believed, I mean, it was John's money. And so either
12 John or Michelle had -- had control of the ATM card.

13 Q. Did you ever use any of that money in that
14 account for your personal purposes?

15 A. No.

16 Q. Okay. And if you look at Exhibit 3,
17 that's the thick exhibit with the bank accounts -- or
18 the bank account statements. If you look at the --

19 A. Right.

20 Q. -- fourth page of Exhibit 3 --

21 A. Yes.

22 Q. -- it's the statement for October 18th
23 through November 19th of 2013. And there's numerous
24 ATM withdrawals for \$1,000 apiece in Billings,
25 Montana. Was that you making those withdrawals?

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Kathleen T. Burrows

1 check for \$100,000.

2 Q. Did they tell you what it was --

3 A. So I did.

4 Q. Did they tell you what it was for?

5 A. No.

6 Q. Okay. Now, other than that check, did you
7 ever write any other checks on this account?

8 A. Not to my recollection, no.

9 Q. Now, the --

10 A. I don't think I did, no. I don't think
11 so.

12 Q. This account was ultimately closed in
13 February of 2015. Can you explain to me how it was
14 that the account was closed?

15 A. Yes. I remember John had filed a
16 bankruptcy, so he was in the middle of a -- a -- a
17 bankruptcy proceeding. And he came over to my house,
18 and I believe I was -- I was -- well, I know it was
19 the day before this. I was on the phone with Ross
20 Richardson, you know, talking about, you know,
21 another matter.

22 But, you know, after the phone call --
23 after my phone call, John and I were talking about
24 his bankruptcy, and he indicated that -- that the
25 trustee was -- was going to be reviewing and auditing₃₉

Kathleen T. Burrows

1 Michelle's records and Michelle's accounts, you know,
2 that kind of thing.

3 And when he told me that, I said, well,
4 don't forget about this money in -- in U.S. Bank.
5 And he looked at me, and I said, you know, that money
6 needed to be fully disclosed. And then I asked him
7 -- well, let me think.

8 Then I asked him, you know, John, wasn't
9 there an ATM card associated with this account, and
10 he said yes. I said, well, where is that? And he
11 pulled it out of his wallet, and I took it. And I
12 said, you know, this -- this has to be disclosed,
13 fully disclosed. And -- and he told me it was
14 disclosed.

15 I said, well, this is Michelle's money.
16 Right? You've been telling me all along. I said,
17 well, does Michelle have a bank account of her own?
18 She's being audited. He said yes. I -- I said, at
19 the end of the day, John, I want Michelle's bank
20 account number because this is Michelle's money. She
21 needs to keep her money and disclose it.

22 Q. Okay.

23 A. So -- go ahead.

24 Q. So just to be clear, you asked him if he
25 had disclosed this money in the bankruptcy, and he

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1 told you he had?

2 A. He said it's been disclosed.

3 Q. Okay.

4 A. Yeah.

5 Q. All right. So then you asked him for
6 Michelle's bank account number. Was that so you
7 could transfer the money out of this account and
8 close the account so it was in Michelle's account?

9 A. Well, yeah. Because he told me that
10 Michelle was being audited because of the bankruptcy,
11 and I'm telling him that this needed to be fully
12 disclosed. And when he told me that it wasn't -- it
13 was disclosed, I didn't believe him so.

14 Q. Okay. So what did you do?

15 A. I did receive an e-mail from Michelle with
16 her bank account information that day. I told him I
17 wanted it by the end of the day. And then I told him
18 right then and there that I would be going down to
19 U.S. Bank the following day and transferring the
20 money to Michelle.

21 Q. Okay.

22 A. And that's what I did.

23 Q. And do you have Exhibit 5 there in front
24 of you?

25 A. Yes.

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1 Q. Is Exhibit 5 the receipts from the bank
2 when you transferred the -- transferred the money
3 from this account to Michelle's account at U.S. Bank?

4 A. Yes.

5 Q. And the amount of the transfer was
6 \$305,045.50?

7 A. Yes.

8 Q. And that was all of the money in that
9 account?

10 A. Yes.

11 Q. And -- and then that account was closed,
12 so it's closed now?

13 A. Yes.

14 Q. Okay. Let's look at Exhibit 7. We'll
15 just mark this one as well.

16 Exhibit 7 are the actual counter deposit
17 and counter withdrawal slips you filled out at the
18 bank for this transfer?

19 A. Yes.

20 Q. Okay.

21 MR. GARDNER: Ms. Burrows, do you want to
22 take five minutes? You can get a drink or just take
23 five minutes?

24 THE WITNESS: Okay.

25 MR. GARDNER: Okay. We'll go off the